

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7381

BILL NUMBER: HB 1904

DATE PREPARED: Jan 7, 2001

BILL AMENDED:

SUBJECT: Notification of Highway Construction.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the public agency responsible for road work to notify adjacent property owners of road construction work. It requires property owners who receive a notice of road construction to disclose the notice to tenants, lessees, and buyers. The bill provides that a contract, lease, or any other agreement concerning the property that is entered into between the property owner and the prospective tenant or lessee is voidable if the property owner did not provide notice of road construction. It exempts real estate agents and brokers from liability for disclosure of the notice or a misrepresentation about the notice unless the agent or broker knew or should have known about the notice or the misrepresentation.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Indiana Department of Transportation (INDOT) currently notifies property owners only if their property is affected by an INDOT project. This notification takes the form of a letter and/or a public notice in the newspaper. The provisions of this bill expand the notification requirement and likely will increase expenditures to the INDOT. The fund affected for the INDOT is the State Highway Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: To the extent that local agencies responsible for road work currently do not notify owners of adjacent property to the area of the road under construction, this provision will increase mailing and public notice advertising costs.

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation.

Local Agencies Affected: Local agencies responsible for road work.

Information Sources: Steve Cecil, Division Chief of Pre-Engineering/Environment for the INDOT, 232-5468.